PRODUCT DESCRIPTION

FORFAITING

Forfaiting means the purchase, without recourse, of bank-guaranteed receivables from export sales, transforming a deferred-payment transaction into a prompt-payment one, and thus relieving the exporter from the

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- commercial,
- country (political and transfer),
- exchange rate, and
- collection

risks arising from the receivable.

The export receivables must be embodied or guaranteed by an unconditional, irrevocable banker instrument (e.g. deferred-payment letter of credit, bank guarantee). If the bank concerned is acceptable, there is no need for any additional securities. The transaction can be concluded quickly and requires only simple documentation, so there are no substantial administrative and legal costs.

EXPORTERS ELIGIBLE FOR FINANCING	 A business with at least one year of operating history with a registered office or a fixed establishment in Hungary, or a registered office in the territory of the European Economic Area and a branch in Hungary, or with a foreign seat, whose Hungarian subsidiary or branch is the manufacturer of the product delivered.
AMOUNT OF THE RECEIVABLE	-
CURRENCY	EUR or USD
TERM	Typically 75-360 days, maximum 24 months – 1 day Maximum 18 ¹ months for agricultural products
GRACE PERIOD	5 working days (in addition to the term of the receivable, we take additional interest days into account when forfaiting, depending on the country risk)
INSTRUMENT OR SECURITY	 deferred-payment letter of credit bank guarantee bill of exchange avalised by the bank

¹ From 1 January 2018, in the case of goods listed in the annex to the WTO Nairobi agreement

PRODUCT DESCRIPTION

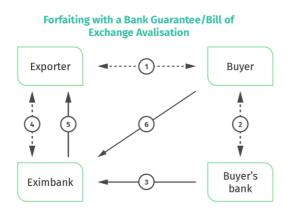
THE EXTENT OF FINANCING	Up to 100% of the claims offered for purchase, up to the amount of the underlying bank asset.
DISCOUNT INTEREST (FORFAITING/DISCOUNTING FEE)	EURIBOR or CME Term SOFR corresponding to the term of financing + premium rate
COMMITMENT FEE	If a forfaiting limit is made available, the based of the commitment fee is the unutilised part of the limit, payable in arrears every 3 months following the opening of the limit, and upon expiry of the availability period. Fee according to the list of terms and conditions.
ONE-OFF FEE	According to the list of terms and conditions.
COST OF DOCUMENTARY TRANSACTIONS	According to the list of terms and conditions.
TYPICAL SECTORS	Farming, agriculture, food industry, medical technology, chemical industry, pharmaceutical industry, smaller machinery and equipment, etc.

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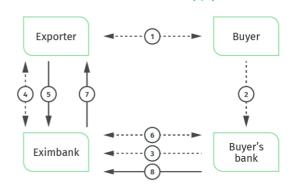
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The information contained in this product description is for guidance only, and does not constitute an offer on the part of the Bank and the Insurer; the terms of a specific financing facility are determined on the basis of an individual decision in every case. We assume no liability for any changes to, or omissions from the information. You may use any information featured in this product description at your own risk. Magyar Export-Import Bank Zrt. and Magyar Exporthitel Biztosító Zrt. assume no liability whatsoever for any damage arising from the use of the information featured in the product description.



- Trade contract, with deferred payment 1.
- Order for provision of bank guarantee/bill of exchange 2. avalisation
- 3. Bank guarantee/bill of exchange avalisation
- Forfaiting agreement 4.
- Payment of value of the receivable (at discounted value) 5.
- Payment of the receivable on due date 6.

With a Letter of Credit (L/C)



- Trade contract, with deferred payment 1.
- 2. Order for opening of the L/C
- Provision of the L/C 3.
- 4.
- Forfaiting agreement Submission of export documents to Eximbank 5.
- 6.
- Forwarding and acceptance of export documents Payment of value of the receivable (at discounted value) 7.
- Payment of receivable on due date, on the basis of the L/C 8.